Government of
Saskatchewan

Annual Report
1990-91

Saskatchewan
Education

Student
Aid
Fund

The forty-second annual report of the Saskatchewan Student Aid Fund

for the period from April 1, 1990 to March 31, 1991

Letters of Transmittal

The Honourable Sylvia Fedoruk
Lieutenant Governor
Province of Saskatchewan

Madam:

I have the honour of submitting the annual report of the Saskatchewan Student Aid Fund for the year ending March 31, 1991.

Respectfully submitted,

Carol Teichrob

(Mrs.) Carol Teichrob
Minister of Education

The Honourable Carol Teichrob
Minister
Saskatchewan Education

Madam:

On behalf of the Trustees of the Student Aid Fund, I have the honour of submitting the annual report of the Saskatchewan Student Aid Fund for the year ending March 31, 1991.

Respectfully submitted,

Eleanor Rourke

Eleanor Rourke
Trustee
Student Aid Fund

92-03553/

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Introduction

The Saskatchewan Student Aid Fund was established by the provincial government in 1949 to provide financial assistance to Saskatchewan's post-secondary students.

The government's initial investment in the fund was $1 million. Today the annual grant is $45.9 million, and a wide range of programs are available to help students obtain various forms of post-secondary education.

The fund is administered by a Board of Trustees consisting of the Deputy Minister of Education, the Deputy Minister of Finance, and one other person appointed by the Lieutenant Governor in Council on the recommendation of the Minister of Education.

This annual report reviews all lending activity administered by the Student Financial Assistance Branch of Saskatchewan Education in 1990-91, along with activities funded through the Student Aid Fund. Included are the Canada Student Loans Programs for Full-Time and Part-Time Students, the Saskatchewan Student Loans Program, Special Incentive Plan, Forgivable Loan Plan, the Interest Write Down Plan, the Interest Relief Plan and other scholarships and awards.

1990-91 Highlights

- The grant to the Student Aid Fund increased substantially from $23.8 million in 1989-90 to $45.9 million.
- A total of $54,410,115 in Canada Student Loans was authorized to 18,319 students.
- A total of $43,060,228 in Saskatchewan Student Loans was authorized to 13,695 students.

Student Loans

Canada Student Loans Program

The Canada Student Loans Program was introduced by the federal government in 1964 to provide loans to post-secondary students. To qualify for assistance, loan recipients must be full-time students enrolled at designated post-secondary institutions in programs more than 11 consecutive weeks in duration.

Although this is a federal program, the Student Financial Assistance Branch of Saskatchewan Education is the designated issuing authority for the Province of Saskatchewan. The program provides eligible students with loans to a maximum of $105 per week of study. In 1990-91 a total of $54,410,115 was authorized to 18,319 students.

After Student Financial Assistance Branch has determined the applicant's eligibility for a loan, the student deals directly with any Canadian chartered bank or credit union. The loan is interest-free while the recipient is a full-time student and for an additional six-month period following graduation or discontinuation of studies. The student repays the loan by regular monthly payments over a maximum time period of 9-1/2 years. Interest charged is set on August 1 of each year and is constant throughout the repayment period.

Student Financial Assistance Branch applies federal administrative criteria to determine the applicant's financial need. If there is a significant change in the student's financial circumstances or those of his or her parents, the student may request that the loan be reassessed.

Table 1 lists the numbers and amounts of Canada Student Loans authorized during 27 years of operation.

Table 1 - Summary of Canada Student Loans

Year	Number of Loans	Amount Authorized
1964-65	2,992	$1,888,445
1965-66	4,866	3,317,604
1966-67	5,965	4,543,085
1967-68	7,377	5,980,941
1968-69	8,282	6,564,848
1969-70	9,747	8,591,290
1970-71	10,318	8,949,955
1971-72	9,262	7,671,005
1972-73	8,111	7,067,227
1973-74	7,349	6,413,481
1974-75	5,736	5,594,950
1975-76	5,708	5,328,719
1976-77	5,268	5,436,920
1977-78	5,543	7,325,835
1978-79	5,776	7,884,095
1979-80	4,852	6,704,975
1980-81	5,393	7,812,560
1981-82	5,401	8,676,795
1982-83	6,511	11,650,995
1983-84	8,654	19,628,755
1984-85	9,441	22,513,162
1985-86	10,060	27,133,520
1986-87	15,293	43,274,015
1987-88	18,078	52,506,182
1988-89	19,235	55,988,230
1989-90	19,070	54,122,900
1990-91	18,319	54,410,115

Part-Time Canada Student Loans

Student Financial Assistance Branch also administers the Part-Time Canada Student Loans Program which is funded by the federal government. Under this program a part-time student may borrow up to $2,500. Repayment begins 30 days after negotiation of the loan.

Table 2 lists the numbers and amounts of part-time Canada Student Loans authorized during eight years of operation.

Table 2 - Summary of Part-Time Canada Student Loans

Year	Number of Loans	Amount Authorized
1983-84	9	$7,770
1984-85	18	16,021
1985-86	26	24,191
1986-87	49	61,450
1987-88	82	83,670
1988-89	87	99,936
1989-90	116	115,513
1990-91	54	45,914

Saskatchewan Student Loans Program

The Saskatchewan Student Loans Program is also administered by the Student Financial Assistance Branch. The Branch is responsible for the assessment, administration, payment and collection of loans authorized under the program.

The program provides eligible post-secondary students with loans to a maximum of $145 per week of study for courses more than 11 weeks in duration. Up to $75 per week is provided for post-secondary courses that are between 4-11 weeks in duration, and are part of a longer program of study.

Students enrolled in Adult Basic Education (ABE) courses at the Saskatchewan Institute of Applied Science and Technology or at any of Saskatchewan's regional colleges are also eligible for Saskatchewan Student Loans. Students may receive up to $145 per week of study through the program, and additional assistance of up to $105 per week of study to replace Canada Student Loans assistance which is not available to ABE students.

Loans are interest-free while the recipient is a full-time student and for an additional six-month period following graduation or discontinuation of studies.

Students repay the loans in regular monthly installments directly to the Student Aid Fund. Interest charged is the same as for Canada Student Loans. Students must have obtained the maximum possible Canada Student Loan before Saskatchewan assistance becomes available.

In 1990-91 a total of $43,060,228 was authorized to 13,695 students through the Saskatchewan Student Loans Program.

Table 3 lists the numbers and amounts of loans provided through the provincial program over its 20 years of operation. This includes all loans made under the former Saskatchewan Student Loans Program, assistance provided through the Saskatchewan Supplementary Loans Program introduced in 1986-87, and all repayable and forgivable loans available under the Saskatchewan Student Loans Program umbrella introduced in 1987-88.

Table 3 - Summary of Saskatchewan Student Loans

Year	Number of Loans	Amount Authorized
1971-72	231	$184,356
1972-73	506	314,597
1973-74	451	312,218
1974-75	459	317,104
1975-76	176	138,790
1976-77	92	69,755
1977-78	98	104,815
1978-79	136	137,960
1979-80	42	54,126
1980-81	71	62,855
1981-82	27	25,630
1982-83	14	12,730
1983-84	349	509,025
1984-85	380	584,920
1985-86	437	673,535
1986-87*	16,115	21,212,040
1987-88**	13,310	33,685,619
1988-89	14,281	44,357,104
1989-90	14,138	44,569,293
1990-91	13,695	43,060,228

* Introduction of Saskatchewan Supplementary Loans Program. This number represents the total of the Saskatchewan Supplementary Loans Program and the former Saskatchewan Student Loans Program.

** Introduction of forgivable loans.

Chart 1
Authorized Saskatchewan Student Loans
Fiscal Years 1987-91

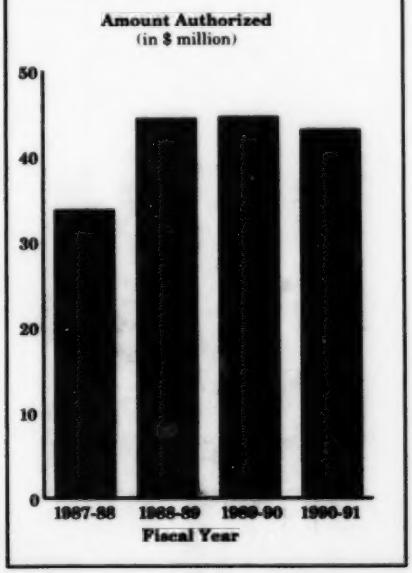
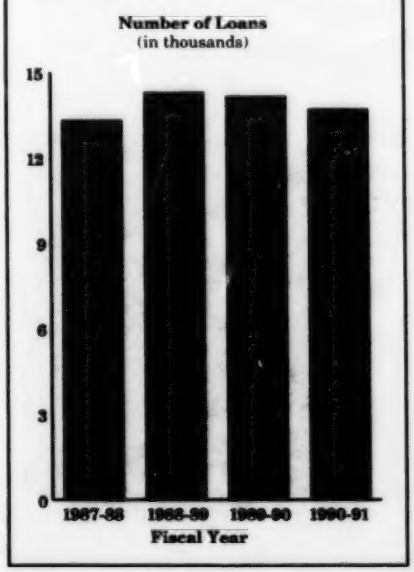


Chart 2
Number of Authorized Saskatchewan Student Loans
Fiscal Years 1987-91



Special Incentive Plan

Loan Supplements

A Special Incentive Supplement was introduced in 1983-84 to further assist qualifying high need disadvantaged students with additional amounts of bursary assistance. Currently a maximum of $110 per week of study is available. Students must be eligible for further assistance based on a needs assessment in excess of the maximum assistance available to regular students. Effective August 1, 1987, along with the Saskatchewan Student Bursary Program, the supplement was converted to a potentially forgivable portion of the student's provincial assistance.

Students eligible for assistance through the Special Incentive Plan must be custodial single parents, non-status Indians or Métis persons, accepted into the Vocational Rehabilitation of Disabled Persons Program, or accepted into the Special Incentive Plan for Northerners.

Special Incentive students may receive this supplement for studies at designated Saskatchewan institutions, unless a disability requires out-of-province study. The forgivable portion of the supplement is available only for approved Adult Basic Education and for the first 165 weeks of post-secondary study.

Loan Remission

Loan Remission for Special Incentive students was introduced in 1983-84 to encourage entry of certain disadvantaged students into post-secondary education. These students are eligible for provincial remission subsidies for all or a portion of their repayable student loans as follows:

- Students who have post-secondary education prior to August 1, 1988 are eligible for 100% remission of their repayable loans for their first year of post-secondary study

since leaving high school, and 50% remission for their second year of post-secondary study since leaving high school.

- For courses beginning August 1, 1988 or later, students who have not had previous post-secondary study are eligible to apply for 100% remission of their repayable student loans for their first 60 weeks of post-secondary study.
- For Adult Basic Education students who qualify as Special Incentive students, 100% remission of repayable Saskatchewan Student Loans may be available upon successful completion of each year of approved Adult Basic Education. Adult Basic Education students retain their eligibility to apply for remission of repayable student loans for post-secondary study.

Qualified students must successfully complete at least 60% of a full course load during their approved period of study. They must also apply for remission benefits within six months after each period of study.

Loan remission on Canada Student Loans was not available for courses (other than SUNTEP/NORTEP and VRDP) starting August 1, 1990. The only exceptions to this rule were students accepted as post-secondary Special Incentive students prior to the 1990-91 loan year. These students continue to be eligible to apply for Canada Student Loan remission until they have completed 60 weeks of post-secondary study.

Remission subsidies for both Canada and Saskatchewan Student Loans are applied first to the balance outstanding for provincial loans and, if applicable, to the balance owing on federal loans.

In 1990-91, $7,721,378 in remission subsidies was approved for 1,720 students.

Table 4 lists the numbers and amounts of loan remission to Special Incentive students during seven years of operation.

Table 4 - Summary of Approved Remission Subsidies on Canada Student Loans and Saskatchewan Student Loans*

Year	Number of Loans	Amount Authorized
1984-85	184	$461,413
1985-86	248	592,327
1986-87	259	703,577
1987-88	865	3,589,547
1988-89	1,078	4,709,338
1989-90	1,720	8,110,929
1990-91	1,720	7,721,378**

* Saskatchewan Student Loans include the former Saskatchewan Student Loans Program, Saskatchewan Supplementary Loans Program, and the new Saskatchewan Student Loans Program.

** Loan remission was not available on Canada Student Loans for courses (other than SUNTEP/NORTEP and VRDP) starting after August 1, 1990. The only exceptions to this rule were students accepted as Special Incentive students prior to the 1990-91 loan year.

Loan Forgiveness

On August 1, 1987, bursaries were converted to forgivable loans and targeted to high need and disadvantaged students.

The forgivable portion of the Saskatchewan Student Loans Program is as follows:

- any amount of Saskatchewan Student Loans over $75 per week for post-secondary students, to a maximum of $70 per week;
- any amount of Saskatchewan Student Loans over $180 per week for Adult Basic Education students, to a maximum of $70 per week; and
- any amount of Special Incentive Loan Supplement up to a maximum of $110 per week (available only to Special Incentive students).

The forgivable portion is only available for the first 165 weeks of post-secondary study, and for all approved Adult Basic Education. All years of previous post-secondary education are taken into consideration in determining whether or not the student is

Chart 3
Number of Approved Applications for Remission Subsidies on Canada Student Loans and Saskatchewan Student Loans
Fiscal Years 1987-91

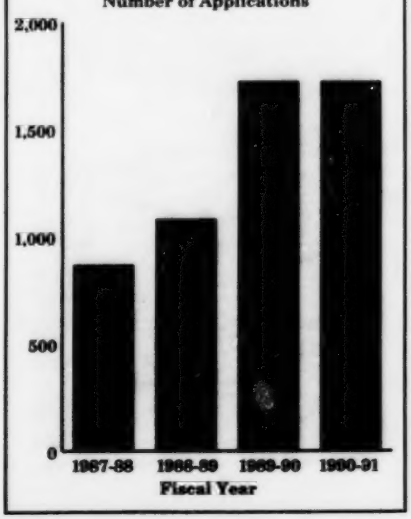
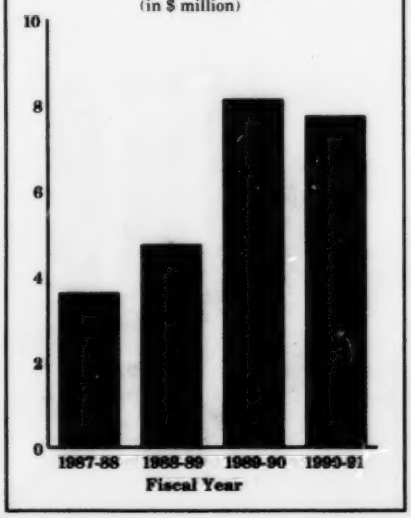


Chart 4
Approved Remission Subsidies on Canada Student Loans and Saskatchewan Student Loans
Fiscal Years 1987-91



eligible for this program. Students must successfully complete at least 60% of a full course load during their approved period of study. They must also apply for forgiveness within six months after each period of study. The subsidy is not applied until all loans have been consolidated, and is only applied to the amount owing the province.

In 1990-91, forgiveness totalling $10,334,039 was approved to 3,945 students after they successfully completed their approved periods of study.

Table 5 lists the numbers and amounts of loan forgiveness approved during three years of operation.

Table 5 - Summary of Approved Loan Forgiveness on Saskatchewan Student Loans.

Year	Number of Loans	Amount Authorized
1988-89	2,365	$ 5,066,056
1989-90	4,063	10,426,459
1990-91	3,945	10,334,039

Interest Write Down Plan

The Interest Write Down Plan was introduced on May 1, 1986. The plan was available to students taking loans authorized by Saskatchewan Education for courses commencing between May 1, 1986 and July 31, 1989.

Under the plan, a subsidy was provided equal to writing down the interest charges on provincial and federal loans to 6% for the first three years of a standard repayment period. The subsidy is applied first to the balance outstanding for provincial loans and then, if applicable, to the balance outstanding for Canada Student Loans.

In 1990-91, 3,516 students received subsidies totalling $3,882,589 for loans authorized during the three-year period when the plan was in effect.

Table 6 shows the numbers of students and Interest Write Down Plan subsidies received since implementation of the plan in 1986.

Table 6 - Summary of Approved Interest Write Down Subsidies on Canada Student Loans and Saskatchewan Student Loans.

Year	Number of Students	Amount Paid
1987-88	6,050	$2,160,873
1988-89	7,736	4,610,031
1989-90	8,885	7,007,839
1990-91	3,516	3,882,589

Interest Relief Plan

The Saskatchewan Interest Relief Plan was introduced in 1987-88. The plan is available to qualified students who are having difficulty repaying their Saskatchewan Student Loans due to unemployment, temporary disability, pregnancy or other extenuating circumstances.

Under the plan, up to eighteen months of additional interest-free status can be obtained. No payments are required during this time.

In 1990-91, 1,582 students received interest and repayment relief through the plan.

Table 7 shows the numbers of students receiving interest and repayment relief during four years of operation.

Table 7 - Number of Students Approved for Interest and Repayment Relief under the Saskatchewan Interest Relief Plan

Year	Number of Students
1987-88	68
1988-89	500
1989-90	791
1990-91	1,582

Chart 5
Number of Authorized Applications for Forgiveness on Saskatchewan Student Loans
Fiscal Years 1988-91

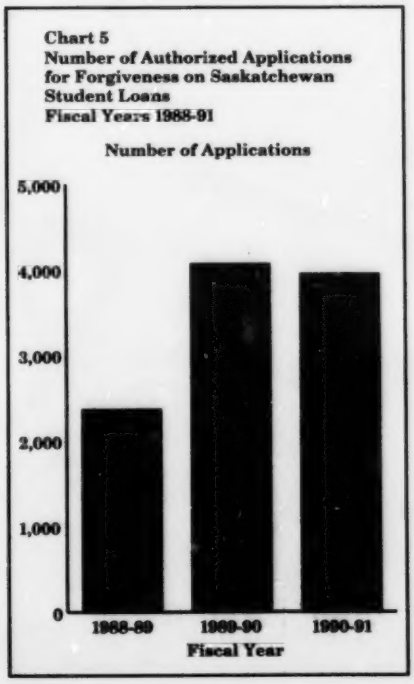
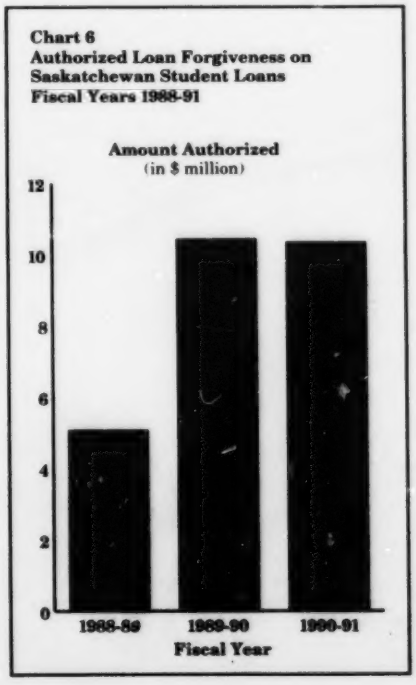


Chart 6
Authorized Loan Forgiveness on Saskatchewan Student Loans
Fiscal Years 1988-91



Appeals

The Scholarship, Bursary and Loan Committee is appointed by the Minister of Education and makes recommendations to the Minister regarding student assistance. The committee includes representatives from educational institutions, student unions and government.

An Appeals Sub-Committee of the Scholarship, Bursary and Loan Committee is in place to review instances where students applying for student assistance may have extenuating circumstances. If the sub-committee determines the circumstances are extenuating, further assistance may be recommended.

A total of 308 appeals were reviewed during 1990-91. Additional assistance was granted in 147 of these cases.

Audit and Verification

All information requested from student loan applicants is subject to audit and verification.

Four types of audits are performed:

- electronic pre-audit which compares the loan application's information against data bases at Saskatchewan Health, Saskatchewan Government Insurance and Saskatchewan Education;
- referral audits which cover files referred to the unit for investigation by interested citizens;
- randomly selected post-audits carried out on students' files after receiving their awards; and
- fraud investigations which may result from any of the previous types of audits.

The provision of misleading information by the applicant, spouse, parent(s) or guardian(s) may result in prosecution under both the *Canada Student Loans Act* and *The Student Assistance and Student Aid Fund Act, 1985*.

A total of 885 files were audited in 1990-91, resulting in $786,849 in Canada and Saskatchewan Student Loan overpayments. There were 18 files turned over to Saskatchewan Justice for potential fraud investigation.

Scholarship and Award Programs

The Saskatchewan Student Aid Fund also provides support to a variety of scholarship and award programs, in conjunction with other departments and agencies. Funds were provided to the following programs in 1990-91.

University Scholarships

Each year, funds are allocated from the Student Aid Fund to Saskatchewan's two universities for undergraduate and graduate scholarships. In 1990-91 awards totalling $1,042,446 were granted to 634 students at the University of Regina, and a total of $5,744,885 was granted to 1,304 students at the University of Saskatchewan.

Saskatchewan Institute of Applied Science and Technology Scholarships

Scholarships of $500 per student for certificate programs and $1,000 per student for diploma programs were granted at campuses of the Saskatchewan Institute of Applied Science and Technology (SIAST). Entrance scholarships of $750 per certificate program student and $1,500 per diploma program student were also available. In addition, scholarships of $1,000 each for diploma students and $500 for certificate students were available to recognize academic achievement in institute programs. A total of $245,915 provided 29 entrance and 328 certificate and diploma scholarships in 1990-91.

D.R. Simmons Memorial Scholarship

Two D.R. Simmons Memorial Scholarships of $500 are available annually to graduating grade 12 students of Indian or Métis ancestry.

Doreen Kronick Scholarship

One Doreen Kronick Scholarship of $600 is available annually to recognize the scholastic achievement of a post-secondary education student majoring in the field of special education. Saskatchewan Education will award an additional $600 if the recipient is a Saskatchewan resident attending a Saskatchewan university.

Saskatchewan Awards Program

The Saskatchewan Awards Program was introduced in September, 1988.

Under the program, awards of $500 are presented to the top 390 graduating grade 12 students from Saskatchewan high schools to recognize scholastic achievement. Saskatchewan Scholar Awards of $5,000 are given to seven students demonstrating scholastic superiority along with leadership skills in school and community involvement. Achievement Awards of $3,000 are given to ten students demonstrating excellence in specific programs who wish to further their education and enhance their entrepreneurial expertise.

A total of $253,000 was awarded to 393 students during the reporting year.

French Language Teacher Bursary Program

Awards are available to teachers taking university classes to improve their skills in the teaching of French. In 1990-91 there were 66 bursary units awarded, totalling $60,655. Expenditures were reimbursed by the federal Department of Secretary of State.

French Language Study Fellowship/ Travel/Education Bursaries

Fellowships to a maximum of $2,250 are available to full-time students enrolled in post-secondary programs offered in French.

The travel bursary defrays transportation costs for students in French language courses at approved universities outside Saskatchewan.

Six hundred and twenty-three bursary units totalling $455,389 were granted in 1990-91. The Student Aid Fund was reimbursed by the federal Department of Secretary of State.

Queen Elizabeth II Scholarship

The Queen Elizabeth II Scholarship was announced during the October, 1987 visit by the Queen and Duke of Edinburgh as a gift to Her Majesty from the province. One $10,000 scholarship is awarded annually for graduate or post-graduate study of Saskatchewan politics and government at either of Saskatchewan's universities. Canadian citizens and landed immigrants are eligible to apply.

Fuhrmann Emergency Loan Program

This program was established with a $12,000 donation from the Fuhrmann family in Regina. It provides short-term loans of up to $400 per student for full-time studies at SIAST. The loans are interest-free if repaid within 90 days.

Table 8 lists the amounts awarded during the program's 16 years of operation.

1975-76	$2,415
1976-77	5,155
1977-78	7,958
1978-79	6,025
1979-80	19,985
1980-81	16,128
1981-82	13,065
1982-83	11,325
1983-84	11,515
1984-85	9,675
1985-86	8,460
1986-87	12,600
1987-88	7,500
1988-89	3,300
1989-90	6,700
1990-91	5,780

Information and Advisory Services

Saskatchewan Education's Student Financial Assistance Branch offers information and advisory services to students, their families, educational institutions and the general public.

In 1990-91 a monthly average of more than 10,000 telephone calls and personal visits were received by the branch, dealing with general loan questions, along with more specific matters such as loan status and repayment criteria.

Sixty-seven information meetings were held by branch staff in communities all over Saskatchewan, including northern Saskatchewan. Approximately 3,000 people attended these sessions to gain a better understanding of available programs. The demand for this service continues to increase.

Table 9 - Summary of Awards 1990-91

	Amount
Canada Student Loans	$51,410,115
Part-Time Canada Student Loans	45,914
Saskatchewan Student Loans	43,060,228
Special Incentive Plan: Loan Remission	7,721,378
Forgivable Loan Plan	10,334,039
Interest Write Down Plan	3,882,589
Saskatchewan Education	779,044
University of Saskatchewan	5,744,885
University of Regina	1,042,446
Saskatchewan Institute of Applied Science and Technology	245,915

Provincial Auditor's Report

To the Members of the Legislative Assembly
of Saskatchewan

I have audited the balance sheet of the Saskatchewan Student Aid Fund as at March 31, 1991 and the statements of revenue, expenditure and accumulated deficit and changes in financial position for the year then ended. These financial statements are the responsibility of the Fund's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Fund as at March 31, 1991 and the results of its operations and the changes in its financial position for the year then ended in accordance with the accounting principles disclosed in Note 1 to the financial statements.

Regina, Saskatchewan
October 4, 1991

W. K. Strelioff

W. K. Strelioff, C.A.
Provincial Auditor

Financial Information

Statement 1
Saskatchewan Student Aid Fund
Balance Sheet
As at March 31

Assets

	1991	1990
Bank and short-term investments	$ 44,834,529	$25,851,464
Accrued interest on investments	625,978	183,044
Receivable from Department of Education	890,000	3,871,900
Reimbursements and other receivables	19,066	5,196
Loans receivable (Note 3)	47,727,457	40,712,082
Investments in bonds (market value 1991 – $1,969,000; 1990 – $1,818,357)	2,080,000	2,105,000
	$ 96,177,030	$ 72,728,686

Liabilities, Fund Balances and Accumulated Deficit

Liabilities:

Consolidated Fund Loan (Note 4)	$126,973,275	$107,742,355
Accrued interest payable (Note 4)	3,390,528	2,789,444
Other payables	648,482	810,187
	$131,012,285	$111,341,986

Fund Balances:

Restricted		
Contribution for loans from legislative appropriations	656,500	656,500
Queen Elizabeth II Scholarship Fund	24,000	24,000
Fuhrmann Emergency Loan Fund	12,000	12,000
Peter D. Stewart Scholarship	300	300
	692,800	692,800
Accumulated Deficit (Statement 2)	(35,528,055)	(39,306,100)
	(34,835,255)	(38,613,300)
	$ 96,177,030	$72,728,686

(See accompanying notes to the financial statements)

Statement 2
Saskatchewan Student Aid Fund
Statement of Revenue, Expenditure and Accumulated Deficit
For the Year Ended March 31

	1991	1990
Revenue:		
Grant from the Department of Education	$ 45,890,000	$23,871,900
Interest on investments	2,486,477	2,563,369
Interest on student loans	2,385,814	1,711,503
Bursary repayments		
Department of Education	21,199	12,275
Other Agencies	92,496	91,523
Federal reimbursements - second language program	516,044	615,141
	$51,392,030	28,865,711
Expenditure:		
Bursaries and scholarships (Schedule 1)		
Department of Education	1,015,459	1,172,530
Other agencies	6,787,331	6,792,773
	7,802,790	7,965,303
Interest on Consolidated Fund Loan	11,845,749	9,878,710
Special Incentive Loan remissions	8,902,623	6,883,851
Interest write-down grants	209,773	3,163,328
Loan forgiveness grants	13,867,450	5,472,736
Provision for doubtful accounts	4,985,600	4,240,118
	47,613,985	37,604,046
Excess revenue over expenditure (expenditure over revenue) for the year	3,778,045	(8,738,335)
Accumulated deficit, beginning of year	(39,306,100)	(30,567,765)
Accumulated deficit, end of year - to Statement 1	$(35,528,055)	$(39,306,100)

(See accompanying notes to the financial statements)

Statement 3
Saskatchewan Student Aid Fund
Statement of Changes in Financial Position
For the Year Ended March 31

	1991	1990
Cash provided by (used in) operating activities		
Excess revenue over expenditure (expenditure over revenue) for the year	$ 3,778,045	$ (8,738,335)
Change in non-cash working capital items:		
Increase in accounts receivable	(4,490,279)	(16,779,266)
Increase (decrease) in accounts payable	439,379	3,209,685
Cash provided by (used in) operating activities.....	(272,855)	(22,307,916)
Cash provided by (used in) financing activities		
Consolidated fund loan proceeds	44,807,668	44,999,980
Consolidated fund loan repayments.....	(25,576,748)	(15,733,261)
Cash provided by investing activities		
Proceeds from investments maturing	25,000	—
Net increase in cash position during the year	18,983,065	6,958,803
Cash and short term investments, beginning of year	25,851,464	18,892,661
Cash and short term investments, end of year.....	$ 44,834,529	$ 25,851,464

(See accompanying notes to the financial statement)

Saskatchewan Student Aid Fund
Notes to the Financial Statements

March 31, 1991

1. Significant Accounting Policies

These financial statements are prepared in accordance with the following accounting policies which are considered appropriate for organizations of this type.

a) Loan Awards

Under the terms of the Saskatchewan Student Loan Program, student loans are provided to qualifying individuals. These loans are made at interest rates prescribed by the Minister of Education and are interest free until repayment is required.

Interest write-down grants are provided to borrowers who receive loans for studies commencing between May 1, 1986, and July 31, 1989. The amount of each grant is equivalent to the difference between what the interest cost would have been on loans:

i) at the normal interest rate, for a specified term; and

ii) at the rate of 6%, over the same term.

In addition to the interest write-downs described above, the Fund also provides interest write-down grants on loans under the Canada Student Loan Program.

Special Incentive Loan remission and/or loan forgiveness is granted to all students who meet the obligations specified by the Student Aid Fund Guidelines.

The estimated cost of these loan relief programs is expensed and a corresponding liability is recorded at the time the related loans are authorized by the Department of Education. For financial statement presentation the liability is netted against the outstanding accounts receivable.

When the value of grants exceeds the students' loan balance, the excess is applied to their Canada Student Loan.

b) Loan Repayments

Loans receivable become repayable after a six-month period following discontinuance of studies or graduation. Payments on loans are first applied to interest, then to outstanding loan principal.

Simple interest is charged on loans following the interest-free period.

c) Other Assistance

Bursaries and scholarships awarded are subject to the condition that students must be in full-time attendance on the date the awards are issued and, in certain instances, there is a service commitment to the Province. When the conditions are not met by the student, all or a portion of the bursary or scholarship is recoverable from the student. Bursaries and scholarships awarded by the Department of Education, when deemed recoverable, are recorded as receivables of the Fund.

d) Investments

All investments are carried at cost. Premiums and discounts on the purchase of long-term securities are amortized over the term of the security. Interest on investments is recorded on the accrual basis.

2. Authority

The Saskatchewan Student Aid Fund operates under the authority of The Student Assistance and Student Aid Fund Act, 1985. It is administered by the Department of Education.

3. Loans Receivable

		1991	1990
Loans outstanding, beginning of year		$84,603,733	$69,287,762
Add:	New loans during the year (See Note 4)	37,129,685	37,475,522
	Payout of credit balances	2,849,308	2,420,663
	Repayable bursaries	21,199	13,425
	Accrued interest	2,385,255	1,711,061
Deduct:	Interest write-down grants	(3,882,589)	(7,007,839)
	Loan forgiveness grants	(9,165,852)	(6,873,953)
	Special incentive loan remissions	(7,299,346)	(5,695,425)
	Loan repayments received	(7,168,855)	(6,031,377)
	Loans written off	(245,024)	(696,106)
		99,227,514	84,603,733
Less:	Accrued loan remissions, loan forgiveness and interest write-down grants applied against outstanding receivables	(36,600,057)	(33,816,651)
		62,627,457	50,787,082
Allowance for uncollectible loans		(14,900,000)	(10,075,000)
Loans outstanding, end of year		$ 47,727,457	$ 40,712,082

4. Amounts Due to the Consolidated Fund

Loans were obtained from the Consolidated Fund to finance loans to students. This balance is repayable in quarterly instalments. The instalment amount is based on repayment of student loans. The interest rate is based on the Consolidated Fund's cost of borrowing.

5. Related Party Transactions

In accordance with established government practice, the Department of Education bears all administrative, occupancy and loan collection costs. Accordingly, no provision for these costs is reflected in these financial statements.

Schedule 1
Saskatchewan Student Aid Fund
Schedule of Bursaries and Scholarships
For the Year Ended March 31

	1991	1990
Bursaries and scholarships awarded by the Department of Education:		
Second language program	$ 516,044	$ 615,141
General proficiency awards	253,000	259,600
Saskatchewan Institute scholarships	245,915	287,289
Queen Elizabeth II scholarship	—	10,000
Don Simmons Memorial award	500	500
	1,015,459	1,172,530
Bursaries and scholarships awarded by other agencies:		
University of Saskatchewan	5,744,885	5,734,541
University of Regina	1,042,446	1,058,232
	6,787,331	6,792,773
	$7,802,790	$7,965,303